



PRINCIPLES FOR RESPONSIBLE BANKING

REPORTING AND SELF-ASSESSMENT

 CRÉDIT MUTUEL GROUP 2022

EDITION
20
23

Crédit  Mutuel



PRINCIPLE 1: ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 BUSINESS MODEL

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

A cooperative model that serves the regions

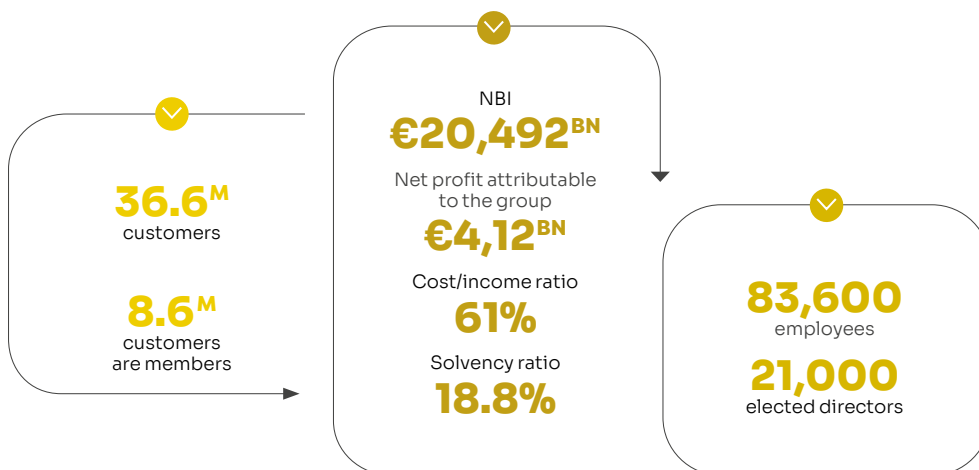
The Crédit Mutuel group operates a full range of banking and insurance activities through its four regional groups¹ and their subsidiaries.

It consists of a group of cooperative banking and financial institutions with deep roots in the regions and across France. Its 83,600 employees serve 36.6 million customers, including 8.6 million members, to best meet the needs of individuals and regions.

These regional institutions have numerous subsidiaries, particularly in the insurance, asset management and consumer credit businesses.

The Group has an international presence, mainly in Europe and in particular in Germany, Belgium, Spain and Luxembourg.

Credit Mutuel in figures



Links and references

[Non-financial performance statement of the Crédit Mutuel group](#)

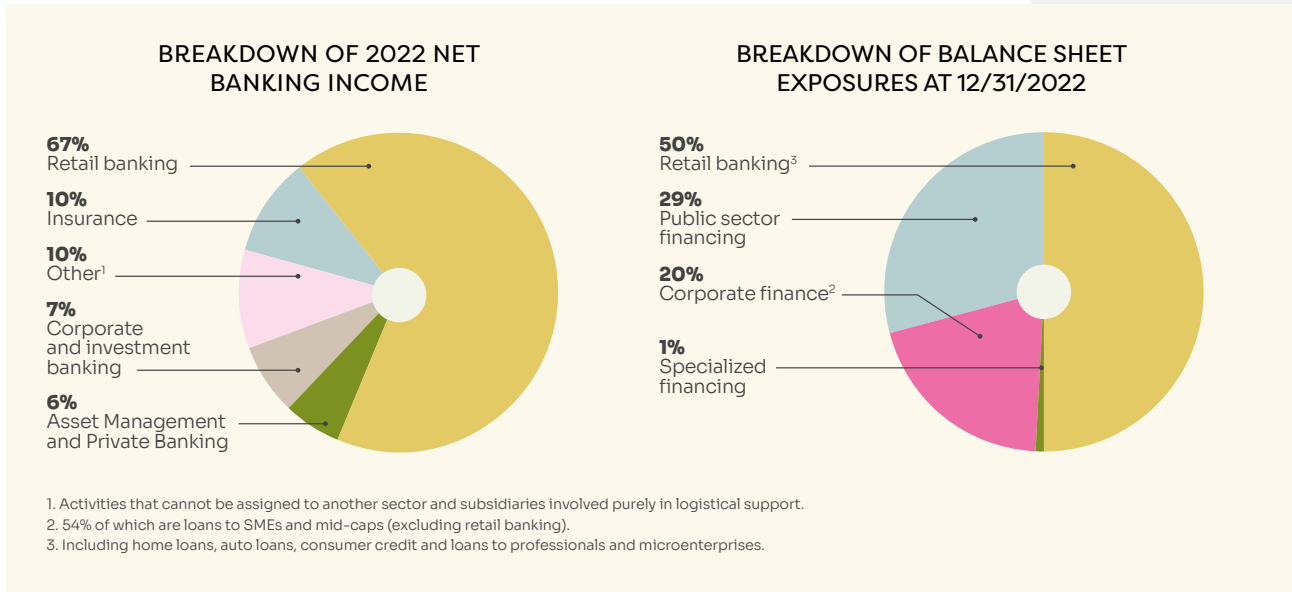
[Crédit Mutuel group - Annual report](#)

[Crédit Mutuel group - Financial report](#)

[Crédit Mutuel group - Key points](#)

[Crédit Mutuel group 2022 results press release](#)

Response	Links and references
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With over 60% of its income generated by its retail banking activity, Crédit Mutuel reaffirms its role as a finance provider for the real economy. With a firm focus on supporting individuals and small and medium-sized companies, Crédit Mutuel has implemented social, environmental and climate initiatives adapted to the types of customers it serves.

Main subsidiaries and partnerships

The Crédit Mutuel group is a full-service bank that carries out a wide range of activities to best serve its customers.



Response

Links and references

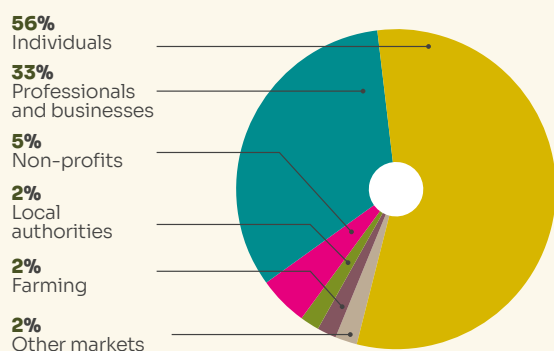
A decentralized model to serve the regions

The strength of our model lies in its cooperative and decentralized structure, with its 18 federations, Fédération du Crédit Mutuel Agricole et Rural and 1,991 local banks. As a mutual bank not listed on the stock exchange, its 8.3 million members own its capital in the form of shares.

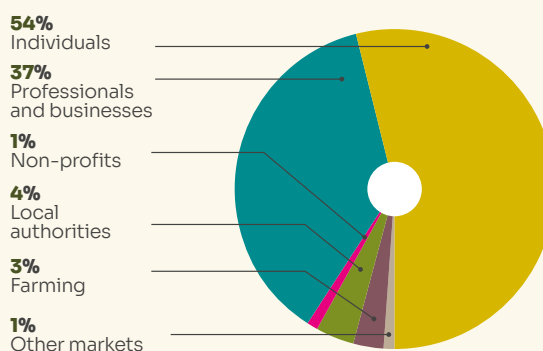
Socio-economic footprint

Crédit Mutuel's role is to finance the economy, with full transparency, and to redistribute the value created. It collects funds mainly through its customers' savings to finance the loans it issues and its development.

**BREAKDOWN OF DEPOSITS AT
DECEMBER 31, 2022
(BANKING NETWORKS IN FRANCE)**



**BREAKDOWN OF OUTSTANDING LOANS AT
DECEMBER 31, 2022
(BANKING NETWORKS IN FRANCE)**



1.2 STRATEGY ALIGNMENT

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes No

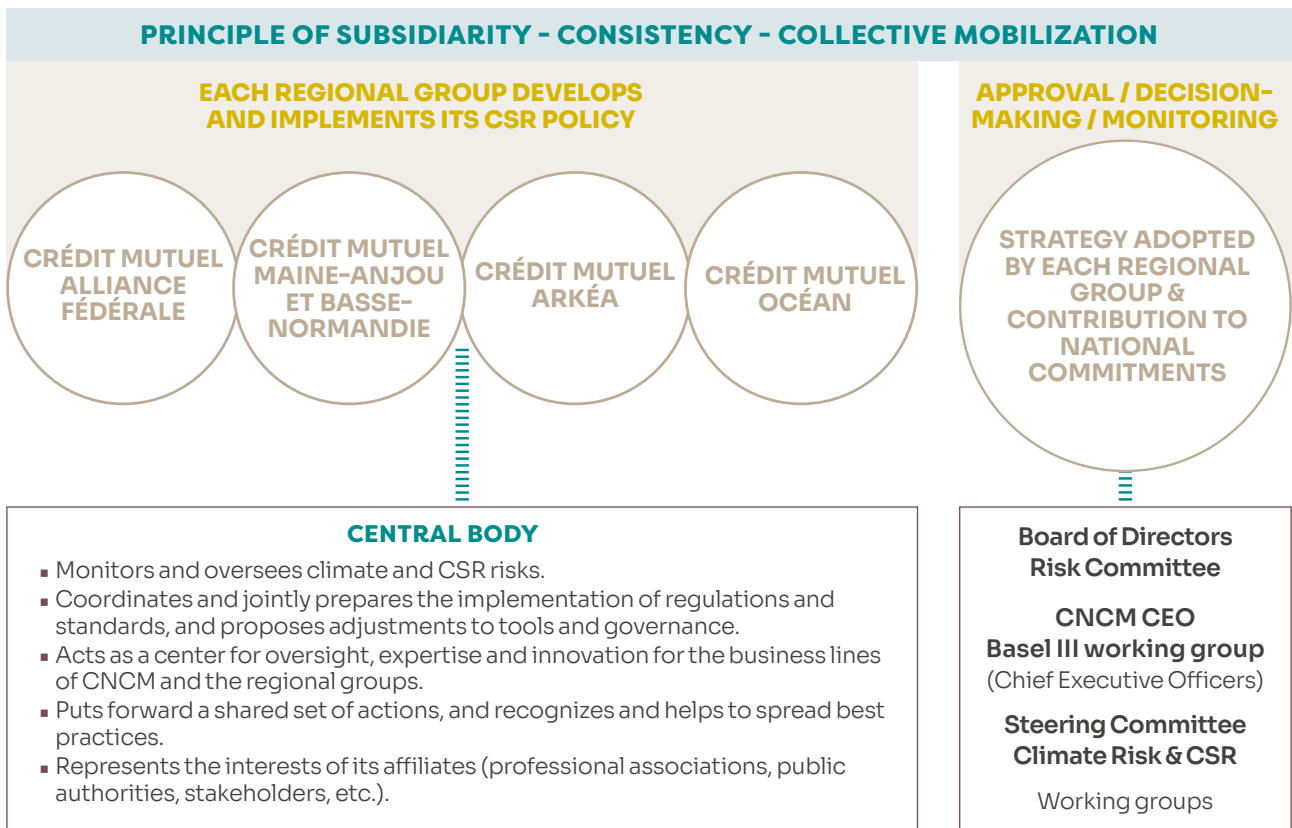
Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples

- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk** – please specify which ones : The Crédit Mutuel group meets reporting requirements on environmental risk assessments:
des risques environnementaux :
 - in France: publication of an NFPS (*Non-Financial Performance Statement*),
 - in Europe: publication of taxonomy ratios in the NFPS and a Pillar 3 report including ESG information,
 - internationally: publication of a TCFD (*Task Force on Climate-related Financial Disclosures*) report for Crédit Mutuel Arkéa.
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery** – please specify which ones:
- None of the above**

Response	Links and references
<p>Our CSR governance</p> <p>In response to societal and environmental challenges, the Crédit Mutuel group set up a specific governance structure to guide its CSR strategy and also adopted a consolidated action plan, which was co-developed with the regional groups and approved by the national executive and supervisory bodies.</p> <p>Since January 1, 2020, the CSR function of Confédération Nationale du Crédit Mutuel (CNCM) has been part of the Risk Department. Its role is explained in the diagram below:</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p> <p>Crédit Mutuel group – Annual report</p>



Crédit Mutuel has integrated ESG (Environmental, Social and Governance) issues into an action plan broken down into projects, aimed in particular at alignment with the climate targets of the Paris Agreement.

Response

Links and references

Our CSR action plan

Crédit Mutuel's consolidated action plan is centered around three priorities:

- **SUSTAINABILITY** - Take a long-term approach;
- **REPORTING** - Develop relevant and tangible measurement tools;
- **CLIMATE** - Align our activities with the climate goals of the Paris Agreement.

The aim of this consolidated action plan is to build collectively on the initiatives undertaken and oversee common issues in order to adapt to regulatory developments and the growing importance of climate and environmental issues.

Certain subjects are covered by Confédération Nationale du Crédit Mutuel which, together with all its entities, signed on to two international voluntary initiatives:

DATE SIGNED	COMMITMENT	STRUCTURE
2003	Global Compact	Crédit Mutuel group
FROM 2009	Principles for Responsible Investment (PRI)	Portfolio management: - Federal Finance Gestion (2009) - Groupe La Française (2010) - Crédit Mutuel Asset Management (2012) - CIC Private Debt (2014) - BLI – Banque de Luxembourg Investments S.A. (2017) - Schelcher Prince Gestion (2018) - Arkéa Capital (2019) - Suravenir (2019) - DUBY Transatlantique Gestion (2020)
2019	Principles for Responsible Banking (PRB)	Crédit Mutuel group
2020	Poseidon Principles	CIC (subsidiary of Crédit Mutuel Alliance Fédérale)
2021	PRB – Net-Zero Banking Alliance (NZBA)	Crédit Mutuel group
2021	Net Zero Asset Managers Initiative	La Française Asset Management
2021	PRB – Commitment to financial health and inclusion	Crédit Mutuel group
2021	Finance for Biodiversity Pledge	Crédit Mutuel Arkéa (2021) Federal Finance Gestion (2021) Schelcher Prince Gestion (2021) Crédit Mutuel Asset Management (2021) La Française Groupe (2022)

[Crédit Mutuel COP Global Compact](#)

[List of PRB signatories](#)

[List of PRI signatories](#)

[List of signatories of the Net Zero Asset Managers Initiative](#)

[List of signatories of the Poseidon Principles](#)

[List of signatories of the Finance for Biodiversity Pledge](#)



PRINCIPLE 2: IMPACT AND TARGET SETTING

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 IMPACT ANALYSIS (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly³ and fulfil the following requirements/elements (a-d)⁴:

a) Scope:

What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis.

Please also describe which areas have not yet been included, and why.

Response	Links and references
<p>TheCrédit Mutuel group's goal is to fully integrate climate change risks (negative impacts) and opportunities (positive impacts) into the strategy and activities of the regional groups.</p> <p>Positive impacts: Green Taxonomy-eligible assets</p> <p>The EU taxonomy is a set of sustainable development criteria for companies, investors and governments. It identifies economic activities that can be regarded as sustainable or environmentally responsible. It thereby enables finance players and companies to have a common language and facilitates sustainable investments and financing.</p> <p>At December 31, 2022, the asset eligibility analysis applies only to the first two targets related to climate change mitigation and adaptation. TheCrédit Mutuel group took steps in 2022 to identify the portion of the assets in its customer portfolio that was eligible for the first two objectives of the European Taxonomy, in accordance with applicable regulations.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

3 - That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

4 - Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#)

Response	Links and references
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DETAILS OF REGULATORY TAXONOMY RATIOS

RATIO	ASSETS	2022	2021
Proportion of exposures to Taxonomy-eligible economic activities	Assets covered by the taxonomy	34.3%	30.9%
Proportion of exposures to Taxonomy non-eligible economic activities	Assets covered by the taxonomy	18.7%	31.3%
Proportion of exposures to central governments, central banks and supranational issuers	Total assets	22.5%	19.4%
Proportion of derivatives	Total assets	1.0%	0.2%
Proportion of exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU	Total assets	29.6%	24.4%
Proportion of the trading portfolio	Total assets	2.4%	1.9%
Proportion of on-demand interbank loans	Total assets	0.5%	0.6%

Negative impacts: climate and environmental riskst

The transmission of climate and environmental risks to other risks (particularly credit risks) occurs in many ways and differs according to whether physical or transition risks are assessed.

In order to have a holistic, well-documented view of the impact of climate and environmental risks on existing risk categories, the Crédit Mutuel group has developed a national materiality matrix for physical and transition risks.

This materiality analysis was prepared by experts in collaboration with the regional groups and the relevant risk managers (for more details on the methodology, see the Crédit Mutuel group's NFPS).

The results are as follows:

CREDIT MUTUEL GROUP'S CLIMATE RISK MATERIALITY MATRIX

RISK CATEGORY	PHYSICAL RISK			TRANSITION RISK		
	Short-term <3 years	Medium-term 3-10 years	Long-term > 10 years	Short-term <3 Years	Medium-term 3-10 years	Long-term > 10 years
Credit risk	+	++	++	+	+++	++
Operational risks	+	++	+++	+	++	++
Market risk	+	++	++	+	++	++
Interest rate risk	+	+	+	+	+	+
Liquidity risk	+	+	+	+	+	+
Conglomerate's insurance risk	+	+	++	+	+	++
Equity risk	+	+	+	+	+	+
Strategic risk and business risk	+	+	++	++	+++	+++

+ Low impact
 ++ Medium impact
 +++ High impact

Response

Links and references

The impact of physical and transition risks is generally more significant after three years. Transition risks mainly materialize over the medium and long term, with a significant impact on credit and strategic risks. The highest increase in probability of default may occur in companies in business sectors that produce or consume large amounts of fossil fuel (transport, chemicals, metallurgy, agri-food) and in sectors impacted by technology shocks (automotive). In addition to banking, a very significant increase in transition risk may impact asset management and insurance activities. Moreover, if the Group fails to adapt to the expectations and constraints of an orderly transition scenario, it may find itself in strategic impasses over the long term that could result from a combination of competition, technology and regulatory risks.

Physical risks would materialize with a significant impact on long-term operational risk, linked to an increase in physical risk over time due to the frequency and severity of acute and chronic events impacting the physical assets. The Crédit Mutuel group has in fact noted an increase in the cost of damage related to natural events in recent years. System malfunctions could also increase as a result of the associated physical constraints.

This analysis provided a framework for integrating climate risks into the risk management processes at the national level. Applied by the regional groups in line with their specific characteristics, it helps to steer the Crédit Mutuel group's strategic choices.

b) Portfolio composition:

Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope:

- 1- by sectors & industries⁵ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- 2- by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Climate risk assessment

In addition to the climate risk materiality analysis presented above for the banking scope, the expansion of regulatory stress test exercises to include climate risks contributes to a better understanding and consideration of climate risks within the Group. It allows the modeling of impacts on the loan and asset portfolios, where applicable, as well as their vulnerability to the effects of climate change.

In 2022, the Crédit Mutuel group participated in a stress test conducted by the ECB (see NFPS and Crédit Mutuel group Pillar 3 report). As in 2021, the results showed the urgent need for Crédit Mutuel to take action on climate issues. In fact, it appears that climate risks do not result in a significant increase in either physical or transition short-term risks. However, although an orderly transition comes at a high cost in the short term, it is the wisest choice in the long term.

[Non-financial performance statement of the Crédit Mutuel group](#)

[Link to the Crédit Mutuel group's Pillar 3 report](#)

5 - Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

Response

Links and references

Identification and monitoring of outstanding loans sensitive to transition risk, according to the ACPR

4.8% of total exposures concern companies in the sectors that the ACPR considers to be the most sensitive to transition risk, such as energy, metals, the chemical industry and crop and animal production. For Crédit Mutuel's regional groups, this implies supporting these companies in their transition to a low-carbon economy. Retail banking customers (home loans, auto loans, consumer credit and loans to professionals and microenterprises) also benefit from transition support.

On the Group side, the Risk Department is capitalizing on existing work on operational risks and developing a tool to identify its facilities' exposure to physical climate risks, starting with a score of the vulnerability of its infrastructures to floods.

The goal is to extend the risks covered and, at the same time, help develop a tool to assess the vulnerability of the group's customers to physical risk. Through monitoring losses incurred in relation to the group's buildings, the Risk Department also collects data on the damage caused to its facilities by natural events.

On the customer side, at the decision of the governance bodies, work has been carried out since 2021 by a special taskforce, in line with the group's consolidated action plan. The result is a clear view of the vulnerability of economic assets in exposed areas, mapped for the following risks:

- **chronic risk:** rising sea levels, increase in average temperature, changes in rainfall;
- **acute risk:** droughts, storm/hail/snow, floods.

The aim of these risk maps is to give Crédit Mutuel's regional groups insight into the exposure of their financing to physical risks. They identify the levels of exposure of the Group's customers to the mapped risks. Nearly 5% of the Group's outstanding loans appear to be very exposed to chronic risk, and 1.8% to acute risk. Work will continue in 2023, in particular to include new risks and new countries.

c) Context:

What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁶ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Crédit Mutuel actively contributes to financial sector initiatives in France and Europe (see Principle 4) and also participates in climate stress tests for the banking industry (ACPR, EBA, ECB), as presented above. The Crédit Mutuel group coordinates the implementation of guidelines (EBA, ECB). These reporting requirements imposed by the banking supervisory authorities (ACPR, ECB) are new areas of progress and standardization in which the Group is engaged.

[Non-financial performance statement of the Crédit Mutuel group](#)

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁷? Please disclose.

Response	Links and references
<p>Climate and environmental risks are key factors of existing risks. However, they also represent an opportunity for Crédit Mutuel to support the transition to a more low-carbon economy. Seeing the transition as an opportunity is therefore essential to finance and build the economy of tomorrow, by adapting business strategies and models to provide all its customers with support towards a just transition. That is why the two impact areas – climate change and financial inclusion – are considered particularly strategic for the Crédit Mutuel group.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

For these (min. two prioritized impact areas):

d) Performance measurement:

Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

To assess its resilience to various climate scenarios, the Crédit Mutuel group is testing several methodological frameworks for measuring both its carbon footprint and the alignment of its trajectory.

In the area of climate change:

External methodology test

In 2021, to assess how well its trajectory is aligned with the climate targets, the Crédit Mutuel group worked on the PACTA COP (Paris Agreement Capital Transition Assessment) methodology. This methodology, developed by the 2 Degrees Investing Initiative (2DII) think tank and underpinned by the Principles for Responsible Investment (PRI), aims to provide an analysis of alignment with the Paris Agreement of loan portfolios for the most carbon-intensive sectors.

In 2021, the Crédit Mutuel group also quantified the greenhouse gas emissions associated with its financing portfolios as part of an industry-wide project.

[Non-financial performance statement of the Crédit Mutuel group](#)

⁷ - To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Response	Links and references
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The SAFE methodology (formerly P9XCA), developed at the initiative of Cr dit Agricole CIB by the Sustainable Development Chair of Paris-Dauphine University, aims to provide a mapping and a rough estimate of the emissions financed and the proprietary investments of the economic sectors on the balance sheet of financial operators, by sector and by geographical area.

The results of these two exercises made it possible, through their limits and contributions, to demonstrate the need to work on methodologies that are consistent and cover our business model. In 2022, the Cr dit Mutuel group, via the FBF, was involved in developing a common method for carbon footprint measurement and financing portfolio alignment and will test the PCAF (Partnership for Carbon Accounting Financials) methodology in 2023.

Internal methodology

Cr dit Mutuel Alliance F d rale has measured the carbon footprint of its corporate credit portfolio since 2019. This indicator is used to assess the bank’s proportional contribution to a company’s carbon emissions, determined with reference to the amount of lending that the bank grants to it.

CARBON FOOTPRINT OF THE CORPORATE CREDIT PORTFOLIO

IN TONS OF CO2/�M LENT	2022	2021	2020	CHANGE 2021 - 2022
Cr�dit Mutuel Alliance F�d�rale	158.2	251.3	256.6	-37%

Overall, the carbon footprint of Cr dit Mutuel Alliance F d rale’s corporate credit portfolio decreased by 55% compared with 2018.

In the area of inclusion:

The Cr dit Mutuel group is very focused on supporting all its customers (see section 2.2).

SELF-ASSESSMENT SUMMARY:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁸

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

8 - You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 TARGET SETTING (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁹ have to be **Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART)**. Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment:

which international, regional or national policy frameworks to align your bank's portfolio with¹⁰ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response	Links and references
<p>In accordance with its commitments regarding alignment with the Paris Agreement, Crédit Mutuel is starting to gradually steer its activities in a direction that favors the climate transition, thanks in particular to the formalization of a governance structure and an action plan at the group level (see Principle 1).</p> <p>In 2021, the Crédit Mutuel group signed on to two new initiatives based on the Principles for Responsible Banking (PRB):</p> <ul style="list-style-type: none"> ■ the NZBA (Net-Zero Banking Alliance), which aims for net zero emissions by 2050, implies a temperature alignment compatible with limiting global warming to 1.5°C above pre-industrial levels, in accordance with the most ambitious target of the Paris Agreement; ■ and the Commitment to Financial Health and Inclusion, which aims to promote universal inclusion and encourage a banking sector that supports the financial health of its customers. This initiative builds on the social action taken by the Crédit Mutuel group. <p>ESG issues have been integrated into the regional groups through targets, ambitious strategies and transparency commitments. The two areas discussed below, climate change and financial inclusion, are considered particularly strategic for the Crédit Mutuel group.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p> <p>CMAF sector policies</p> <p>CM Arkéa sector policies</p> <p>CMO sector policies</p>
<h3>Regional groups' operational strategies</h3> <h4>In the area of climate change:</h4> <p>At their own initiative, several Crédit Mutuel group entities have pledged to:</p> <ul style="list-style-type: none"> ■ divest from coal by no later than 2030 in both OECD and non-OECD countries and apply certain criteria to oil & gas financing. This is the case for Crédit Mutuel Alliance Fédérale (dedicated sector policies), Crédit Mutuel Arkéa and Crédit Mutuel Océan; ■ adopt sector policies for sensitive sectors: <ul style="list-style-type: none"> — Crédit Mutuel Alliance Fédérale has sector policies on mobility, mining, civil nuclear energy, defense and security and agriculture (2022), — Crédit Mutuel Arkéa has also defined sector policies for the following sectors: health, tobacco, agriculture and wine-growing, — Crédit Mutuel Océan also has sector policies on mining, civil nuclear energy, defense and security. 	

9 - Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

10 - Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Response	Links and references
<p>■ support individuals, professionals and companies in their transitions to a low-carbon economy. To this end, as part of its 2019–2023 strategic plan, Crédit Mutuel Alliance Fédérale set the target of increasing the financing of projects with a high climate impact, including renewable energy projects, by 30%.</p> <p>Crédit Mutuel Alliance Fédérale’s 2019–2023 revised strategic plan also sets a target of reducing its carbon footprint by 30% and the carbon footprint of its corporate credit and investment portfolio by 15%.</p> <p>Crédit Mutuel Arkéa, for its part, has pledged to reduce its direct carbon footprint by 25% between 2019 and 2024. At the end of 2020, Crédit Mutuel Arkéa also adopted a climate strategy for 2020–2024 which is based on two lines of action:</p> <ul style="list-style-type: none"> ■ strengthening its climate commitment vis-à-vis companies and regions and; ■ integrating climate as a performance and risk factor into management of its activities. 	<p>CMAF 2019–2023 strategic plan</p> <p>Crédit Mutuel Arkéa 2024 strategic plan</p> <p>CM Arkéa 2020–2024 climate strategy</p>
<p>And in the area of financial inclusion:</p>	
<p>Microfinance schemes:</p> <p>In practical terms, Crédit Mutuel works with customers through microfinance (personal and business), directly and in partnership with microfinance institutions, and by taking specific measures to help customers who have become vulnerable as a result of difficult living situations, whether structural, social or economic.</p>	<p>CMAF policy in support of vulnerable customers</p>
<p>Support for vulnerable customers:</p> <p>As a customer-focused regional bank, the Crédit Mutuel group is involved in efforts to promote banking inclusion and the protection of the least well-off.</p> <p>For customers identified as financially vulnerable, fees related to rejected payments and irregular account operation are capped.</p> <p>In addition, the regional groups’ networks are committed to promoting various inclusive finance mechanisms for their customers.</p> <p>Crédit Mutuel Alliance Fédérale has laid out its approach in a policy in support of vulnerable customers available on its website.</p> <p>Moreover, Crédit Mutuel Arkéa, Crédit Mutuel Alliance Fédérale and Crédit Mutuel Nord Europe announced on February 1, 2019, on June 11, 2020 and in August 2020, respectively, their decisions to exempt customers holding these accounts from rejected payment charges, going above and beyond French regulatory requirements.</p> <p>Since January 2022, through its policy in support of vulnerable customers, Crédit Mutuel Océan has allowed customers holding a joint account with the Facil’Access package for vulnerable customers to have a second Remote Banking agreement free of charge. In addition, as part of the fee update of July 1, 2022, CMO decided not to increase the nine charges included in the cap on rejected payment charges for vulnerable groups, this decision applies to all customers (vulnerable or not).</p>	<p>CMO vulnerable customer policy</p>

b) Baseline:

Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

IMPACT AREA	INDICATOR CODE	RESPONSE
Climate change mitigation	...	
	...	
	...	

IMPACT AREA	INDICATOR CODE	RESPONSE
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response	Links and references
<p>In the area of climate change</p> <p>The Crédit Mutuel group lays out the following in its NZBA report:</p> <ul style="list-style-type: none"> ■ For the oil and gas and electricity production sector. <p>In connection with its current strategic plan covering the 2019-2023 period, Crédit Mutuel Alliance Fédérale¹¹ has chosen 2018 as the base year for its commitments aimed at achieving carbon neutrality by 2050.</p> <p>In the area of financial inclusion:</p> <p>Vulnerable customers:</p> <p>Crédit Mutuel Alliance Fédérale set a target of 55,000 customers with accounts specially designed for vulnerable customers by 12/31/2023.</p>	<p>Crédit Mutuel group NZBA report</p> <p>Non-financial performance statement of the Crédit Mutuel group</p> <p>Crédit Mutuel group Pillar 3 report</p>

c) SMART targets:

(incl. key performance indicators (KPIs)¹²): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

<p>In the area of climate change</p> <p>The Crédit Mutuel group set the following targets in its NZBA report published at the end of 2022:</p>	<p>Crédit Mutuel group NZBA report</p>
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11 - This first series of targets was published for Crédit Mutuel Alliance Fédérale, which represents

- 98% of the Crédit Mutuel group's financing in the oil and gas sector;
- 86% of the Crédit Mutuel group's financing in the electricity production sector.

12 - Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Response

Links and references

For the oil and gas sector:

Based on the NZE scenario, Crédit Mutuel Alliance Fédérale's goal is to reduce the carbon footprint of its financing in the oil & gas sector by 30% by 2030.

For electricity production:

By 2030, Crédit Mutuel Alliance Fédérale¹³ has pledged to have more than 90% of its financing related to electricity production in projects or counterparties that emit less than 100g of CO₂/kWh. According to the International Energy Agency's NZE scenario, the carbon intensity of electricity production must decrease from 459 to 138g of CO₂ per kWh between 2020 and 2030.

In the area of financial inclusion**Vulnerable customers**

Our networks are committed to promoting various inclusive finance mechanisms for these customers, such as basic banking services (used by 23,171 customers as of December 31, 2022) and the special package of banking services for financially vulnerable customers (OCF). At December 31, 2022, 83,640 Crédit Mutuel customers benefited from this package.

For more than 400,000 customers identified as financially vulnerable, fees related to rejected payments and irregular account operation are capped. The health crisis led to a strengthening of the measures taken to support these customers.

Microfinance schemes:

The group's goal is to be a major player in the economic life of its regions. Alongside national partners such as ADIE, Initiative France and France Active, it plays an important role in sustaining employment and helping those who are excluded return to the workplace.

d) Action plan:

which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Nationally and at the regional groups

The Crédit Mutuel group's ESG governance has adapted to regulatory developments and the growing importance of climate and environmental issues. Crédit Mutuel's consolidated action plan is centered around three priorities:

- **SUSTAINABILITY** - A Take a long-term approach;
- **REPORTING** - Develop relevant and tangible measurement tools;
- **CLIMATE** - Align our activities with the climate goals of the Paris Agreement.

[Non-financial performance statement of the Crédit Mutuel group](#)

¹³ - This first series of targets was published for Crédit Mutuel Alliance Fédérale, which represents

- 98% of the Crédit Mutuel group's financing in the oil and gas sector;
- 86% of the Crédit Mutuel group's financing in the electricity production sector.

Response	Links and references
<p>Its aim is to build collectively on the initiatives undertaken and oversee common issues (regulatory in particular):</p> <ul style="list-style-type: none"> ■ it is updated annually based on regulations, the requirements of the regional groups and CNCM’s business lines, and proposals made by the working groups; ■ it is approved annually by the national executive and supervisory bodies; ■ it is overseen by the Climate Risk & CSR Steering Committee, which provides regular updates on the status of projects to the executive and supervisory bodies. <p>It is based on:</p> <ul style="list-style-type: none"> ■ regulations and supervisors’ expectations; ■ goals announced by management; ■ the Group’s external environment; ■ the expectations and practices of internal and external stakeholders; ■ the needs and practices of the regional groups and business lines. <p>Lastly, it sets out the agreed priorities for the actions to be taken. Thirteen projects have been scheduled and prioritized.</p>	

SUSTAINABILITY - Take a long-term approach

- ① Governance and culture
- ② PRB
- ③ Integration of climate/ESG into risk management tools
- ④ Regulations
- ⑤ Control and monitoring

REPORTING - Develop relevant and tangible measurement tools

- ⑥ ESG publication
- ⑦ Group carbon audit - organization level
- ⑧ Inclusion in standards

CLIMATE - Align our activities with the climate goals of the Paris Agreement

- ⑨ Identification of green assets
- ⑩ Sector policy monitoring
- ⑪ CSR information on customers
- ⑫ Carbon measurement and alignments of financed assets
- ⑬ Stress tests

In relation to these action priorities, the NZBA principles will continue to be applied, including to other sectors.

SELF-ASSESSMENT SUMMARY

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it) Climate change (mitigation and adaptation)	... second area of most significant impact: ... (please name it) financial health & inclusion	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action Plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 TARGET IMPLEMENTATION AND MONITORING (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response	Links and references
<p>At the national level</p> <p>In 2021, to assess how well its trajectory is aligned with the climate targets, the Crédit Mutuel group tested methodologies aimed at providing an analysis of alignment with the Paris Agreement of loan portfolios for the most carbon-intensive sectors (see section 2.1).</p> <p>The Crédit Mutuel group and its regional groups are taking steps to measure and monitor climate risk by developing monitoring and oversight indicators. The creation of a climate risk monitoring dashboard for members of the Basel III working group and the Risk Committee enables the Crédit Mutuel group to manage these risks effectively and transparently up to the highest levels of its governance (see details of the indicators in the Crédit Mutuel group's NFPS).</p> <p>Implementation and monitoring of strategies and targets within the regional groups:</p> <p>In the area of climate change mitigation</p> <p>All Crédit Mutuel group entities have targets for reducing their own environmental footprint.</p> <p>Crédit Mutuel Arkéa has set a goal of reducing the direct carbon footprint of its operations, with a 25% decrease in its greenhouse gas emissions between 2019 and 2024.</p> <p>Crédit Mutuel Alliance Fédérale maintained the decision to reduce its carbon footprint by 30% by the end of the strategic plan relative to 2019. To achieve this target, Crédit Mutuel Alliance Fédérale has chosen to apply ISO 14064, which provides a framework for GHG accounting and verification at the organization level for all scopes.</p> <p>Crédit Mutuel Maine-Anjou et Basse-Normandie achieved an initial target of reducing its greenhouse gas emissions by 20% in 2020 compared with 2011. A new emissions reduction target of 30% by 2030 was announced in 2021.</p> <p>Crédit Mutuel Océan easily achieved the target set in 2018 to reduce its emissions by 18.1% (-23%) by 2022. A new emissions reduction target by 2026 will be published at the end of 2023 (2022//2026).</p> <p>The Crédit Mutuel group measures greenhouse gas emissions related to its activities. For 2022, total emissions amounted to 449,676 tons of CO₂ equivalent, thanks mainly to the reduction measures taken by the regional groups and the impact of the health crisis.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

Response	Links and references
<p>The most significant item relates to purchases of goods and services, which represent 200,964 eq. tons of CO₂, nearly 45% of total calculated emissions.</p> <p>Lastly, Crédit Mutuel Arkéa published a TCFD (Task Force on Climate-related Financial Disclosures) report in 2021 and 2022. This report makes its commitments more transparent and enables it to inform all its stakeholders annually of the progress made in supporting the fight against global warming, in terms of both how the management of these risks is integrated into the group's strategy and the results achieved, by tracking oversight and measurement indicators.</p> <p>In the area of financial inclusion:</p> <p>Vulnerable customers</p> <p>To expand the support measures, Crédit Mutuel Océan has signed partnerships with organizations certified as "Points Conseil Budget." Under this government program, personalized advice and services can be provided to financially vulnerable individuals, particularly in terms of managing their budget. It is also a tool for preventing excessive debt.</p> <p>Microfinance:</p> <p>Alongside its partners, Crédit Mutuel gives vulnerable customers access to financial support through microloans and assistance. For example, in 2022 the Crédit Mutuel group provided ADIE with €18.6 million in financing packages which helped create or preserve 6,300 jobs. In addition, thanks to cooperation between Crédit Mutuel and France Active in 2022, more than 2,000 loans were granted that enabled the consolidation or creation of businesses operating mainly in the social and solidarity economy.</p> <p>In 2022, the Crédit Mutuel group confirmed its commitment to these three microcredit support networks, with nearly €488 million refinanced or disbursed to over 12,000 recipients.</p>	<p>CM Arkéa NFPS</p> <p>BFCM and CM Alliance Fédérale URD</p> <p>CM Océan NFPS</p> <p>CM Maine-Anjou, Basse Normandie NFPS</p>



PRINCIPLE 3: CLIENTS AND CUSTOMERS

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 CLIENT ENGAGEMENT

Does your bank have a policy or engagement process with clients and customers¹⁴ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹⁵. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response	Links and references
<p>Given its cooperative status and regional presence, the Crédit Mutuel group is mindful of societal transitions.</p> <p>A group committed to sustainable finance</p> <p>ESG criteria in lending decisions</p> <p>This is reflected in various measures taken at its regional groups, including:</p> <ul style="list-style-type: none">■ development of sector policies for sensitive sectors;■ application of EBA guidelines on loan approval and monitoring. <p>ESG criteria in investment decisions</p> <p>For over 15 years, Crédit Mutuel's regional groups have also developed responsible investment offerings and reaffirmed their commitments through their asset management subsidiaries (Crédit Mutuel Asset Management, Federal Finance Gestion, La Française, etc.).</p> <p>ESG integration is a key part of the investment process of the regional groups' subsidiaries, which have dedicated research teams that analyze issuers' ESG performance.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

14 - A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

15 - Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Response	Links and references
<p>Since 2021, pursuant to Regulation (EU) 2019/2088, known as the SFDR, the regional groups' main asset management subsidiaries have specified the products that promote environmental and/or social characteristics (Article 8 of the Regulation) and products whose purpose is sustainable investment (Article 9 of the Regulation) in their fund catalogue.</p>	

SUSTAINABLE FINANCE INDICATORS

(€ millions)	2022	2021	2020	CHANGE 2022-2021
Assets managed by the Group's asset management companies	157,085	181,576 ³	144,277	-13%
SRI assets¹	54,244	51,259 ³	16,749	6%
Assets in CIES-accredited solidarity employee savings plans²	1,180	728 ³	582	58%
Assets in products classified as SFDR Article 8 or 9 funds	104,424	82,117 ³	NC ⁴	27%
Share of assets classified as SFDR Article 8 or 9 funds	66%	45% ³	NC ⁴	+11 pts

1. Mainly: SRI, Greenfin, Finansol, Luxflag labels. Consolidated assets under management by Crédit Mutuel regional groups

2. Excluding Crédit Mutuel Arkéa

3. Corrected data

4. Information not collected for fiscal year 2020

Voting policy of the regional groups' asset management companies

The Group offers a range of responsible and/or solidarity products and endeavors to be an active investor in the companies in which it holds shares on its customers' behalf. It reports on its activity at these companies by reporting on the voting policy defined by the regional groups' asset management companies, which is presented in the respective entities' CSR publications¹⁶.

ESG - VOTING POLICY

	2022	2021	2020	CHANGE 2022-2021
Number of shareholders' meetings at which asset management subsidiaries participated	1,827	1,926 ¹	1,548	-4%
Number of resolutions put to a vote	29,300	28,643 ¹	25,903	2%
Number of resolutions approved	21,950	22,124 ¹	18,823	-1%
Resolution approval rate	75%	77% ¹	72.7%	-2 pts

1. Corrected data

Financing of the real economy

Supporting customers in the green and energy transition

The Crédit Mutuel group supports the progress of the energy and green transition through specially targeted loans. With €34.665 billion in outstanding loans, the Crédit Mutuel group reaffirms its commitment to work directly in the regions to support professionals, farmers and individuals in the green and energy transition, both via structured financing and via its long-standing energy transition financing business as a retail bank.

In the area of mobility, all the regional groups offer subsidized loans for the purchase of a low GHG emissions vehicle.

16 - Crédit Mutuel Asset Management : <https://www.creditmutuel-am.eu/fr/professionnels/finance-responsable/politique-de-vote.html#:~:text=Les%20principes%20de%20la%20politique,entre%20les%20organes%20de%20direction>
 Federal Finance Gestion : https://www.federal-finance-gestion.fr/gestion/actifs/jcms/c_181961/politique-de-vote-et-d-engagement
 La Française : <https://www.la-francaise.com/en/regulatory-information/exercise-of-the-voting-rights/>

Response

Links and references

FINANCING OF THE ENERGY TRANSITION

(€ millions)	2022	2021	CHANGE 2022-2021
REAL ESTATE	31,687	25,660	23%
Loans for energy renovations	1,230	754	63%
<i>Eco-PTZ</i>	791	604	31%
<i>Crédinergie (energy renovation loan)</i>	101	88	15%
<i>Energy transition loans</i>	338	61	451%
Financing of loans for new homes	30,458	24,906	22%
RENEWABLE ENERGY	2,978	2,727	7%
Renewable energy loans to professionals and farmers	791	604	31%
Structured financing for renewable energy	2,187	2,123	0%
TOTAL FINANCING OF THE GREEN AND ENERGY TRANSITION	34,665	28,387	22%

European taxonomy: identification of green assets

In 2023, Crédit Mutuel will continue to assess how well its assets are aligned with the two current objectives of the taxonomy (climate change mitigation and adaptation). It will use the ratios calculated by its customers and analyze the technical criteria for its exposures to households, local governments and companies for which the purpose of financing is determined.

It will also conduct a sector analysis of the assets considered taxonomy-aligned.

The other four environmental targets will be included in its analysis once the additional delegated acts of the European Commission are published in the Official Journal of the European Union.

3.2 BUSINESS OPPORTUNITIES

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

Links and references

Structured financing

In 2022, Crédit Mutuel Alliance Fédérale financed 14 renewable energy projects through CIC's Project Financing Department:

- three onshore wind farm projects located in France, totaling nearly 125 MW;
- two offshore wind farm projects in Europe representing nearly 1,650 MW;
- two biomass projects representing close to 209 MW (located in France);
- four solar projects totaling close to 377 MW based on available data (three in France, one in Spain).

Authorizations for renewable energy projects at the end of December 2022 totaled €2.2 billion.

Excluding sub-participations, authorizations for renewable energy projects at the end of December 2022 amounted to €2 billion, up 1% compared with the end of 2021. All financed projects comply strictly with the environmental standards of the country in which they are located.

Support for SMEs and mid-caps

Since February 2020, Crédit Mutuel Arkéa has offered a “PACT” loan to institutional clients, SMEs and mid-caps through its ABEl (Arkéa Banque Entreprises et Institutionnels) subsidiary. This loan, whose remuneration is indexed to the borrower's ESG (environmental, social and governance) performance with a special interest rate that can result in up to 20% savings on financing costs, is monitored by an independent non-financial analysis agency to ensure that applications are impartially assessed based on predetermined criteria. At the end of 2022, nearly 100 public and private economic players had already obtained PACT loans for a total of €616 million.

Retail banking

The Crédit Mutuel group also provides financing to individuals, professionals and SMEs for energy management projects, including thermal renovation of buildings and low-carbon mobility. At the end of 2022, these projects represented more than €32 billion in loans, including loans for new homes (see question 3.1 above, financing of the real economy and sustainable finance).

Support for businesses

Crédit Mutuel Océan strives to integrate CSR into its range of services and financing solutions to support its customers wishing to make a positive impact.

In 2022, €17.1 million in financing was granted to renewable energy professionals in the context of the energy transition. Projects (particularly solar energy projects) are carried out to help farmers upgrade their facilities.

[Non-financial performance statement of the Crédit Mutuel group](#)



PRINCIPLE 4: STAKEHOLDERS

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 STAKEHOLDER IDENTIFICATION AND CONSULTATION

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹⁷) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response	Links and references
<p>The Crédit Mutuel group pays attention and listens to all its stakeholders (members, NGOs, professional organizations, trade unions, etc.).</p> <h3>Active participation in financial sector initiatives in Europe and France</h3> <p>Crédit Mutuel actively contributes to initiatives taken by the French and European finance sector.</p> <p>At the European level, the Crédit Mutuel group is a member of various professional associations and participates in the specific working groups set up by European banking organizations to contribute to the progress of the Sustainable Finance strategy. This includes the work of the EBF (European Banking Federation) and the EACB (European Association of Cooperative Banks).</p> <p>At the national level, Crédit Mutuel is actively involved in the work of the French Banking Federation (FBF) on climate risk prevention:</p> <ul style="list-style-type: none">■ through the monthly Climate Committee meeting, which brings together representatives of the risk and CSR departments of all French banking groups, and committee meetings at which this topic is addressed from time to time;■ through the various working groups set up by the FBF on this issue (coal/oil & gas exposures, Climate Finance Day, Observatoire de la Finance Durable, green taxonomy, integration of ESG risks into Pillar III reports, CSRD - Corporate Sustainable Reporting Directive, etc.). <p>Crédit Mutuel also takes part in industry-wide responses to numerous ESG consultations at the European level.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

17 - Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Response

Links and references

Creation of two Mission Committees

In January 2022, after adopting “entreprise à mission” status, Crédit Mutuel Alliance Fédérale set up a Mission Committee that will ensure that the company has the necessary resources, governance and resolve to carry out its missions. This committee consists of nine members, one-third of whom are independent persons, one-third elected members and one-third staff representatives.

After adopting “entreprise à mission” status in May 2022, in late June 2022 Crédit Mutuel Arkéa presented its Mission Committee, which has nine members, most of whom are from outside the group and 45% of whom are women.

Quality of the customer relationship

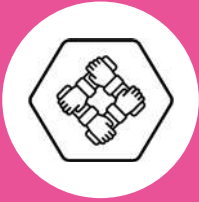
As evidence of the quality of its commitments, Crédit Mutuel has been recognized as the preferred bank of French people and won first prize at the 2023 Podium de la Relation Client®, which honors major brands that excel in customer relations on a day-to-day basis.

[CMAF Mission Committee](#)

[CM Arkéa Mission Committee](#)

[Posternak-lfop survey](#)

[2023 BearingPoint - Kantar Podium de la Relation Client](#)



PRINCIPLE 5: GOVERNANCE AND CULTURE

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 STRUCTURE DE GOUVERNANCE POUR LA MISE EN ŒUVRE DES PRINCIPES

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures that your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

Links and references

At the national level

Since January 1, 2020, the CSR function of Confédération Nationale du Crédit Mutuel (CNCM) has been part of the Risk Department.

This new arrangement involves the formalization of a governance structure and an action plan centered around three priorities broken down into 13 projects at the Crédit Mutuel group level, one of which focuses on the PRB. These projects were approved by the national executive and supervisory bodies.

A “Climate Risk & CSR” Steering Committee composed of the risk management directors and/or CSR directors of each regional group and representatives of the two information systems meets four times a year and reports to the Basel III working group, which includes the CEOs of the groups and the CEO of CNCM.

Three working groups focusing on scenarios and metrics, CSR and tools adjustment have also been created and include experts in these areas. Participants in these working groups are nominated by each of the four regional groups. The CSR working group prepares the PRB report.

Oversight is provided by the Risk Committee and the Board of Directors, which approve the overall guidelines. A director who specializes in climate and CSR issues sits on the committee. The PRB report is attached to the NFPS (link), and is therefore on the agenda of the supervisory bodies at the time of its publication.

At the regional groups:

In 2020, the vast majority of the regional groups and their subsidiaries, deeply concerned about the regional impact, chose to formalize a raison d'être. In 2022, 90% of the Crédit Mutuel federations adopted “entreprise à mission” status.

[Non-financial performance statement of the Crédit Mutuel group](#)

[CMAF's 15 commitments](#)

Response

Links and references

The regional groups have also organized themselves operationally, for Crédit Mutuel Arkéa with the Transitions 2024 strategic plan and for Crédit Mutuel Alliance Fédérale with 15 commitments, applicable from 2022, to implement a strategy that benefits a society in transition, one that is fairer and more sustainable. Crédit Mutuel Arkéa has incorporated non-financial issues into its compensation practices. Other regional groups have chosen not to do so.

[CM Arkéa 2024 Translations](#)

5.2 PROMOTING A CULTURE OF RESPONSIBLE BANKING:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

For more than 10 years, continuous monitoring by CNCM's CSR team has resulted in several publications:

- **a weekly newsletter** is available on an intranet site accessible to employees and elected members of CNCM and the regional groups to educate as many people as possible about ESG issues;
- **webinars are offered on current topics** that may be of interest to the various business lines of CNCM and the regional groups. For example, in 2022, the 2050 transition scenarios were presented to the governance bodies and employees in the presence of the ADEME (Agence de la transition écologique);
- **awareness and training tools** are developed for both employees and directors.

More specifically, at the National Confederation level, in 2022 the CNCM's Risk Committee:

- **analyzed the impacts** of the political environment, the energy and climate crisis and the increased regulatory risk associated with supervisory expectations related to climate risk;
- was informed of all the stages and results of the banking industry stress tests;
- **reviewed** the European Union's expectations regarding the new climate reporting (Pillar 3, Taxonomy, etc.);
- **noted the results** of the European Central Bank's thematic review and the follow-up letter sent to the Crédit Mutuel group;
- **approved the enhancement** of the risk appetite framework.

The Board of Directors also addressed environmental, social and governance issues. It analyzed the Crédit Mutuel group's statements regarding climate and environmental risks as part of the ECB climate stress test, reviewed the 2021 Non-financial performance statement and monitored the results of the climate stress test.

The regional groups also take initiatives along these lines, as detailed in their NFPS. The Climate Fresk workshop was rolled out across the regional groups, including at Crédit Mutuel Maine-Anjou, Basse-Normandie, Crédit Mutuel Océan and Crédit Mutuel Arkéa.

[Non-financial performance statement of the Crédit Mutuel group](#)

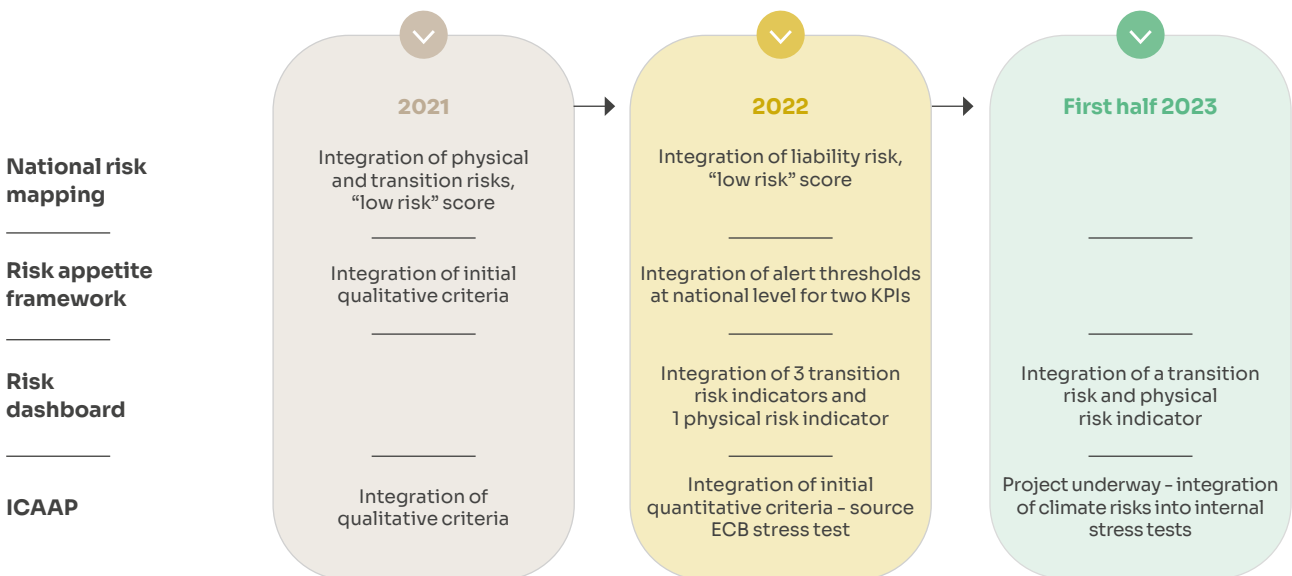
5.3 POLICIES AND DUE DILIGENCE PROCESSES

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁸ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response	Links and references
<p>Duty of vigilance</p> <p>In accordance with French Law No. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and ordering companies, the relevant Crédit Mutuel group entities have taken measures to identify risks to and serious violations of human rights and fundamental freedoms, social rights and environmental rights, personal health and safety and the environment.</p> <p>These measures are detailed in the CSR publications of its regional groups.</p> <p>Identification of environmental risks</p> <p>A materiality analysis was prepared by experts in collaboration with the regional groups and the relevant risk managers (for more details on the methodology, see the Crédit Mutuel group’s NFPS and section 2.1 above on impact analysis).</p> <p>Integration of climate risks into overall risk management</p> <p>Climate and environmental risk management is integrated into the Crédit Mutuel group’s risk management system at the national level and at the level of the regional groups.</p> <p>The system is progressively updated as methodologies improve.</p>	<p>CM Arkéa NFPS</p> <p>BFCM and CM Alliance Fédérale URD</p>

INTEGRATION OF CLIMATE RISKS INTO OVERALL RISK MANAGEMENT



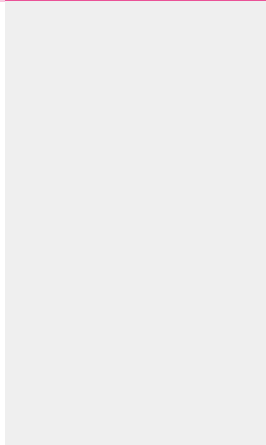
18 - Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Response	Links and references
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Environmental risk monitoring and management indicators

To comply with the Paris Climate Agreement and align their activities with a carbon neutrality trajectory by 2050, the Crédit Mutuel group and its regional groups are taking steps to measure and monitor climate risk by implementing monitoring and management indicators. These indicators, chosen to take into account the materiality of both climate and environmental issues, are evolving, with a focus on continuous improvement and in accordance with regulatory requirements and the group’s commitments (assessment of portfolio-related climate risks, analysis of alignment, trajectory, etc.).

The creation of a climate risk monitoring dashboard for members of the Basel III working group and the Risk Committee enables the Crédit Mutuel group to manage these risks effectively and transparently up to the highest levels of its governance.



SELF-ASSESSMENT SUMMARY

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No



PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 ASSURANCE

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response	Links and references
<p>In accordance with the Principles for Responsible Banking, the Crédit Mutuel group has four exercises for auditing all its PRB reporting and its alignment with the Principles. Nevertheless, the vast majority of the information in this reporting is verified by an independent third party. A certificate has been issued every year since 2012 (see Crédit Mutuel group NFPS - Independent verifier's report on the consolidated non-financial performance statement).</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

6.2 REPORTING ON OTHER FRAMEWORKS

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: Pacte mondial, DPEF (Déclaration de Performance Extra-Financière), rapport de Pilier 3...

<p>The Crédit Mutuel group releases non-financial information that is available to the public:</p> <ul style="list-style-type: none">■ a Non-Financial Performance Statement (NFPS) for the Crédit Mutuel group (including a cross-reference table of key ESG information),■ Non-Financial Performance Statements at the regional groups,■ In addition, Crédit Mutuel Arkéa published a TCFD (Task Force on Climate-related Financial Disclosures) report in 2021 and 2022.	<p>Non-financial performance statement of the Crédit Mutuel group</p>
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6.3 OUTLOOK

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁹, target setting²⁰ and governance structure for implementing the PRB)? Please describe briefly.

Response	Links and references
<p>Work on biodiversity</p> <p>The Crédit Mutuel group is aware that it has a major role to play with regard to the environment that goes beyond climate issues. Indeed, other issues such as biodiversity loss, protection of natural capital and air and water pollution appear to be crucial and systemic.</p> <p>In 2021, regional groups and some of their subsidiaries (Crédit Mutuel Arkéa, Federal Finance Gestion, Schelcher Prince Gestion, Crédit Mutuel Asset Management and La Française Group) took initiatives in this area by signing the Finance For Biodiversity Pledge.</p> <p>In 2022, the Crédit Mutuel group closely monitored natural capital and biodiversity protection. It actively contributed to working groups of the French Banking Federation and the United Nations Environment Programme, the main objectives of which are to monitor legal, scientific and regulatory developments in the area of biodiversity and its implications for the financial sector.</p> <p>The Climate Risk & CSR Steering Committee approved the launch of a national project for 2023. A national working group was therefore set up to allow a specific and granular review, and to ensure its integration into all risk management processes.</p> <p>Work on carbon footprint and trajectory measurement</p> <p>The Crédit Mutuel group joined the Net-Zero Banking Alliance in May 2021, thereby pledging to align the decarbonization trajectories of its portfolio with the goals of the Paris Agreement. The Crédit Mutuel group published its first report at the end of 2022 and will issue further reports in 2023.</p> <p>The results of the methodology tests made it possible, through their limits and contributions, to demonstrate the need to work on methodologies that are consistent and cover our business model. In 2022, the Crédit Mutuel group, via the FBF, was involved in developing a common method for carbon footprint measurement and financing portfolio alignment²¹.</p> <p>This work, carried out both internally and externally, will enable the NZBA report to be enhanced to include other sectors.</p>	<p>Non-financial performance statement of the Crédit Mutuel group</p>

19 - For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

20- For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

21 - Carbon neutrality: French banks are ramping up - French Banking Federation (fbf.fr)

6.4 CHALLENGES

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input checked="" type="checkbox"/> Other: Describing new impact areas, e.g. biodiversity | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling them:

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators.

Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.²²

The Theory of Change shows the pathway to impact and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use:

Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity.

The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets²³ (highlighted in green) or to client engagement²⁴ targets (highlighted in blue), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.²⁵

Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

22 - It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

23 - Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

24 - Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

25 - You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.



IMPACT AREA	PRACTICE (PATHWAY TO IMPACT)									IMPACT		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. CLIMATE CHANGE MITIGATION	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No If yes: Please specify for which clients (types of clients, sectors, geography, number of clients etc.) The Crédit Mutuel group published a first series of targets for Crédit Mutuel Alliance Fédérale, which represents: <ul style="list-style-type: none"> • 98% of the Crédit Mutuel group's financing in the oil • 86% of the Crédit Mutuel group's financing in the electricity production sector. In the oil and gas sector: CMAF's goal is to reduce the carbon footprint of its financing in the oil and gas sectors by 30% by 2030 In the electricity sector: By 2030, CMAF has pledged to have more than 90% of its financing related to electricity production in projects or counterparties that emit less than 100g of CO ₂ /kWh Coal sector: CMAF and CMA have pledged to exit thermal coal by no later than 2030 for CMAF and 2027 for CMA	A.3.1	Financial volume of green assets/ low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used CMAF has pledged to increase financing of projects with a high climate impact by 30%. Assets in products classified as SFDR Article 8 or 9 funds: €104.424 billion in 2022 Share of assets classified as SFDR Article 8 and 9 funds: 66% in € millions in 2022	A.4.1	Reduction of GHG emissions: How much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) The carbon footprint of Crédit Mutuel Alliance Fédérale's corporate credit portfolio decreased by 55% compared with 2018.
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No If yes: please specify: to become net zero by when? By 2050 for the Crédit Mutuel group Emissions baseline / base year: What is the emissions baseline / base year for your target? 2018 for CMAF Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used? The baseline scenario used to define the trajectory for reducing our emissions in order to achieve carbon neutrality is the International Energy Agency's Net Zero Emissions (NZE) scenario as published in 2020.	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	Total GHG emissions or CO ₂ e <i>(please also disclose what is excluded for now and why)</i> CMAF's corporate portfolio carbon footprint: 158.2 tons of CO ₂ /€M lent in 2022.	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities? How much does your bank invest in transition finance?	bln/mn USD or local currency, and/or % of portfolio 4.8% of total exposures concern companies in the sectors considered by the ACPR to be the most sensitive to transition risk, such as energy, metals, the chemical industry and crop and animal production.	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (please specify which portfolio; for corporate and business clients: % of sectors financed).



IMPACT AREA	PRACTICE (PATHWAY TO IMPACT)						IMPACT
	1. Action indicators			2. Output indicators			3. Outcome indicators
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	4. Impact indicators
A. CLIMATE CHANGE MITIGATION	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (depending on the sector and/or chosen metric): kg of CO ₂ e/ kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit In the electricity sector: By 2030, CMAF has pledged to more than 90% of its financing related to electricity production in projects or counterparties that emit less than 100g of CO ₂ / kWh.	
	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No If yes: please specify which parts of the lending and investment portfolio you have analyzed The carbon footprint of CMAF's corporate portfolio covers the following sectors: Building/construction, Travel/leisure, Industrial goods and services, Industrial transport, Utilities/community services, Automobiles, Food, Oil and gas, Real estate, Distribution, Holdings, Chemicals, etc.	A.2.4	Proportion of financed emissions covered by a decar-bonization target: What proportion of your bank's financed emissions is covered by a decar-bonization target, i.e. stem from clients with a transition plan in place?	% ((denominator: financed emissions in scope of the target set) The Crédit Mutuel group published a first series of targets for Crédit Mutuel Alliance Fédérale, which represents: <ul style="list-style-type: none"> • 98% of the Crédit Mutuel group's financing in the oil and gas sector • 86% of the Crédit Mutuel group's financing in the electricity production sector. 	
	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No Please specify which ones, and what financial volume and/ or % of the portfolio they account for In January 2023, CMAF created the social dividend and will contribute 15% of its net income (around €500 million per year) annually to build a more sustainable and more socially responsible world. 50% of this social dividend will be invested in an impact fund to ramp up the transition of production models				



IMPACT AREA	PRACTICE (PATHWAY TO IMPACT)									IMPACT		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B. FINANCIAL HEALTH	B.1.1	Number of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc. Several products are offered by Crédit Mutuel's regional groups; examples include regulated savings accounts such as the Livret d'épargne populaire (LEP) and Livret A savings accounts, which best protect the savings of more vulnerable customers. For CMAF, in 2022 the number of new Livret d'épargne populaire (LEP) accounts increased 3.5 times, and inflows were particularly high for Livret A accounts (+10.5% year on year to more than €47 billion in deposits).	B.2.1	Number of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health.	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools) At Crédit Mutuel Arkéa, monitoring indicators were defined in 2023 to improve support for and follow-up of vulnerable customers: percentage of vulnerable customers with vulnerable customer accounts, rate of meetings with customers identified as vulnerable, rate of meetings with financially vulnerable people, etc.	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize, through the transactions of the customer, the results of the plan.	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main financial institution customers. Keenly aware of the impact of inflation on low-income households, CMAF's advisors have, since April 2022, taken robust measures, such as holding 100,000 emergency inflation meetings and actively promoting regulated savings accounts, to best protect their savings.



IMPACT AREA	PRACTICE (PATHWAY TO IMPACT)						IMPACT					
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics				Code	Indicator	Response options & metrics			
B. FINANCIAL HEALTH	B.1.3	Number of partnerships active to achieve financial health and inclusion targets Crédit Mutuel works with three microcredit platforms (Adie, Initiative France and France Active), which play a significant role in maintaining employment and helping those excluded from the job market to return to work.	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports. The Crédit Mutuel group confirmed its commitment in 2022 to these three microcredit support networks, with nearly €488 million refinanced or disbursed to over 12,000 recipients.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans («past due» defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products connected to long-term saving and investment plans. «Long-term» will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based using the question: «If a major unexpected expense arises, how can you cover it right now?» and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.



IMPACT AREA	PRACTICE (PATHWAY TO IMPACT)									IMPACT		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C. FINANCIAL INCLUSION	C.1.1	# of products and services in the portfolio with a focus on financial inclusion	<p>Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc</p> <p>Several products are offered by Crédit Mutuel's regional groups: Vulnerable Customer Package (OCF), basic banking services, Budg'Equilibre account, banking services for €1 net per month (with no rejected payment charges), etc.</p>	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	<p>Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank.</p> <p>An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results.</p> <p>A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.</p>	C.3.1	% of individuals with a good and/or very good level of financial skills	<p>Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives. The regional groups offer online applications that help their customers manage their budget.</p>	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	<p>Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank.</p> <p>By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc.</p> <p>Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.</p>
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	<p>Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups.</p> <p>Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results.</p> <p>Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health</p>	C.2.2	% of customers with effective access to a basic banking product	<p>Transactional data based. Measures the percentage of customers with effective access to a basic banking product.</p> <p>At December 31, 2022, 83,640 Crédit Mutuel customers benefited from the OCF package</p> <p>and 23,171 customers used basic banking services</p> <p>By effective we mean the usage beyond first access. Basic banking products vary by bank.</p> <p>Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc.</p>	C.3.2	% of customers supported with dedicated customer journey/advisory services	<p>«Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services.</p> <p>Depending on size of bank, either number or percentage can be the unit of measure.</p> <p>400 000 clients, identifiés en situation de fragilité financière, qui bénéficient du plafonnement de leurs frais liés aux incidents de paiements et irrégularités de fonctionnement du compte</p>			



IMPACT AREA	PRACTICE (PATHWAY TO IMPACT)									IMPACT
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	
C. FINANCIAL INCLUSION	C.1.3	# of partnerships active to achieve financial health and inclusion targets Since the creation of personal microcredit in 2006, more than 200 regional agreements have been signed across the country	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month Financing package For ADIE: €18.6 million to create or maintain more than 6,300 jobs For France Active, 2,000 loans granted enabling the consolidation or creation of businesses operating mainly in the social and solidarity economy sector.	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3	% de clients actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)	

THE HISTORY OF MUTUALISM IS OUR HISTORY!

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